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NRO

BYE 38816 - 65
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29 MAR 1965

MEMORANDUM FOR THE RECORD

SUBJECT: Discussions with Mr. William Thomas, Bureau of
the Budget re NRO

1. Mr. Thomas had made arrangements with the Budget Division to meet on NRO matters with Dr. Wheelon, DD/S&T. His stated purpose to the undersigned was to be brought up to date on NRO matters in the light of events that have occurred during the period he was in the Far East. He further inferred that Mr. Henry Rowan of the BOB had asked that he get on top of this matter and provide to Rowan a proposed Bureau position with respect to those aspects of the NRO issues bearing on organization and budgetary considerations. He stated the BOB did not feel it "could stand at the post and be presented with a fait accompli." (Since Budget Division had arranged to have the meeting with Dr. Wheelon and Thomas would not be put off, I advised DD/NIPE and Wheelon of the Thomas mission.)

2. On questions from Thomas Dr. Wheelon covered generally the considerations which went into the decision by the ITEK Corporation, discussed the need for some better institutional basis to make an NRO work, and advised Thomas that there were alternative methods by which he felt certain these things could be accomplished in a more reasonable fashion than reflected in past experience. In this discussion, Thomas was most forthright with his questions and asked specifically whether he might come back early next week to discuss with Dr. Wheelon possible alternative arrangements that could accommodate both the Defense Department and CIA remaining in the reconnaissance field and some institutional framework where program and budgetary decisions could be brought together in the review process. Dr. Wheelon indicated he would be willing to discuss this and a meeting could be set up. (Subsequently it was

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agreed with DD/NIPE, D/BPAM and DD/S&T that no such meeting would be arranged until certain other issues are resolved. D/BPAM will deter Thomas.)

3. Mr. Thomas also had arranged for a meeting with Mr. Bross at the suggestion of the Director/BPAM. At that meeting he queried Mr. Bross with respect to the status of affairs of the NRO and was advised that the current discussions between Mr. Bross, Mr. Vance and the Director were being held to that body. A general discussion was held between Mr. Bross and Thomas on the over-all problems encountered with the NRO agreement and some varying discussion on alternative considerations in the development of the planning of a new agreement or mechanism. No specific proposals were presented and skates were on. Mr. Thomas appeared very well informed throughout this discussion and had obviously had rumors and charges from other sources. He had with him a variety of notes to which he referred and which, I gather, he had pulled together as a result of discussions both in the Bureau, at the White House level and possibly in the Department of Defense.

4. At the conclusion I told Mr. Thomas that Mr. Kirkpatrick and I had advised the Director of Thomas' visit. I also advised that if Mr. Rowan cared to discuss the matter further that the Director had indicated to Mr. Kirkpatrick that he would be happy to meet if such a meeting could be beneficial. Subsequently Thomas advised that he would be taking an alternative course -- "perhaps with the DCI and Rowan".

(Signed) John M. Clarke

John M. Clarke
Director of Budget,
Program Analysis and
Manpower

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